



'Green energy' an option; PSC plan calls for costly wind power

By Jim Carrier

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Colorado residents could choose between coal plants and windmills for their home electricity source under a plan by Public Service Company of Colorado, the state's largest utility.

If enough people want "green energy," PSC will erect small wind plants in eastern Colorado within two years, company president Wayne Brunetti pledged yesterday.

The hitch is that the renewable energy could cost up to 40 percent more, he said.

The company may offer several pricing levels that would include a portion of renewable energy. The idea will be submitted to the state Public Utilities Commission in 90 days.

Green pricing is PSC's first major commitment to promoting renewable energy since pulling out of a bankrupt and environmentally flawed plan for a wind farm in Wyoming. PSC had invested \$750,000 in the project and planned to buy 10 percent of its power, but contractor Kenetech filed for bankruptcy May 29, and PSC was wary of liability from expected eagle deaths in the windmill blades.

Brunetti made the green power announcement at Cherry Creek State Park while dedicating the state's largest photovoltaic installation, a 22-kilowatt array that will track the sun and provide power for 48 RV campsites. The company spent \$260,000 on the array.

Environmentalists applauded PSC's announcement, but called it a baby step.

"Their load is growing at 100,000 kilowatts per year. They really ought to be doing much more," said Bruce Driver, energy director for the Land and Water Fund of Boulder and a frequent critic of PSC's lack of commitment to renewable energy.

Most of PSC's power comes from coal-fired plants. Last month the company agreed to pay a \$2 million fine and spend \$130 million to clean up emissions at its Hayden power plant that contaminated the Mount Zirkel Wilderness Area with acid snow.

The company's market research shows that many customers are willing to pay a premium for alternative energy, according to Brunetti. About 14,000 customers currently donate \$158,000 a year to a renewable energy trust, which pays for small projects at schools and parks.

In a related announcement yesterday, Gov. Roy Romer created a renewable energy task force to find ways to produce 250 megawatts of renewable energy in the next decade in Colorado. That's roughly the amount of power produced by the Hayden coal plant.

The state's total electric consumption at any given time is about 6,000 megawatts. PSC provides the lion's share, 4,300 megawatts, but must import 1,000 megawatts to meet its demand.

The state task force is a first step to make Colorado a "world center for renewable energy industries," a role now held by California, according to Mark Roper of the governor's office of energy conservation.

Colorado's population is growing at record rates, the state has abundant renewable energy sources such as wind and sun, and residents "want to use more renewables as a way to protect the environment," said Romer.

The federal renewable energy lab is in Golden. This week it is hosting the world renewable energy congress with delegates from 100 countries, the first time the congress has been held in the United States.

PSC's step toward renewables comes as the electric industry is being deregulated and PSC could lose its Colorado monopoly. Within a few years, industrial customers will be able to buy power from sources anywhere in the country. Under bills in Congress, homeowners could do the same. Eight power brokers already operate in Colorado.

The result, according to PSC's Brunetti, is that the company must offer low prices first.

"Industrial customers drive us to price," he said. "I object to subsidies (for renewable energy). I don't want to force it on customers."

Public Service said solar energy is five to 15 times more expensive than fossil fuels. Wind power is the cheapest at 5 cents to 8 cents per kilowatt hour compared with coal power at 3 cents to 5 cents.

Within a decade, photovoltaic cells will be competitive too, said Chuck Fuller, manager of project planning. The company plans no new conventional power plants during that period but will not commit to a certain amount of renewables because of the uncertainty of deregulation, he said.

Under green pricing, small wind power plants of 3 to 5 megawatts will be raised as the public is willing to pay. PSC also may allow customers to support specific renewable power installations at local schools or communities centers.

"Hopefully we can kick start it," said Fuller.

Critic Bruce Driver said PSC's proposal shows a bias against renewables, while the company considers the conversion to gas of its failed Fort St. Vrain nuclear plant as "base power." The price of the gas power will be comparable to wind power, he said.

Under the current nationwide glut of base power, the company's coal plants also are operating at a cost above the market price of power, he argues.

"Brunetti won't roll any renewables into the average but he will pay above average market prices for coal because they sank capital into it," Driver said.

An analysis by LAW also shows that PSC's proposed merger with the Texas-based Southwestern Public Service Co. will create pollution in Denver by continued reliance on coal plants. Without the commitment of major utilities like PSC, renewables will not become cheap enough to compete with conventional fuels, said Driver.



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